

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1816-01
Bill No.: HB 739
Subject: Fees; Natural Resources Department
Type: Original
Date: March 26, 2013

Bill Summary: This proposal extends the expiration date of certain clean water fees to 2018.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Natural Resources Protection*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Revenues and Expenditures net to zero

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§ 644.054 - Clean Water Fees Extension:

Officials from the **Department of Natural Resources (DNR)** state this proposal would extend the Clean Water Commission's authority to charge fees for construction permits, operating permits, and operator's certifications related to water pollution control to September 1, 2018.

DNR assumes this fee provides resources to maintain the department's delegation for implementation of the federal Clean Water Act, which began with the National Pollution Discharge Elimination System (NPDES) delegation by EPA to the department in 1974. Without funding provided by the permit fees, the state would lack the resources required to sustain this federally delegated program. EPA would then be required to promulgate Missouri's water quality standards, identify all impaired waters, issue all federally-required operating permits, conduct inspections, enforcement actions and perform all of the other functions mandated by the federal Clean Water Act.

DNR states based on the number of active permits and the revenue trends seen over previous years, this proposal is estimated to generate nearly \$4 million annually for state fiscal years 2014 through 2018.

Oversight assumes this is an extension of the clean water fee and will reflect this as a fee continuance to the Natural Resources Protection Fund.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Department of Revenue, Office of the Attorney General, City of Columbia, and City of Kansas City** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
NATURAL RESOURCES PROTECTION FUND			
<u>Revenue - DNR</u>			
§ 644.054 - Clean Water fee continuance	\$3,333,333	\$4,000,000	\$4,000,000
<u>Expense - DNR</u>			
§ 644.054 - Implementation of the federal Clean Water Act	<u>(\$3,333,333)</u>	<u>(\$4,000,000)</u>	<u>(\$4,000,000)</u>
ESTIMATED NET EFFECT ON THE NATURAL RESOURCES PROTECTION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Small Business</u>			

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

§ 644.054 - Clean Water Fees Extension:

Extends from September 1, 2013, to September 1, 2018, the Clean Water Commission's authority to charge fees for construction permits, operating permits, and operator's certifications related to water pollution control.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources
Office of Secretary of State
Department of Revenue
Office of the Attorney General
City of Columbia
City of Kansas City



Ross Strobe
Acting Director
March 26, 2013